

**EFFECT OF
SUPPLY CHAIN MANAGEMENT PRACTICES
ON
COMPETITIVE PRIORITIES &
ORGANIZATIONAL PERFORMANCES**

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ABSTRACT

Supply chain management practices have been defined as a set of activities undertaken in an organization to promote effective management of its supply chain. The objectives of the study are to identify: the impact of SCM practices on competitive priorities and organizational performances, the impact of competitive priorities on organizational performances, and positive relationship between different SCM practices and organizational performances.

For evaluating SCM practices, competitive priorities and organizational performances a research framework is developed based on previous research studies. The eight dimensions of supply chain management practices construct include strategic supplier partnership, customer relationship, level of information sharing, quality of information sharing, environmental monitoring with suppliers and customers and environmental collaboration with suppliers and customers. The six dimensions of competitive priorities construct include, price / cost, quality, delivery dependability, product innovation, time to market and flexibility. The two dimensions of organizational performance construct include financial and marketing performance.

This research focuses on empirically testing the framework under study. The data is collected from randomly selected 16 manufacturing firms in Food & Beverages and 25 companies in apparel industries in Sri Lanka through a questionnaire. A formal statistical analysis including validity and reliability analysis, descriptive statistic analysis, correlation analysis, linear regression analysis and a cluster analysis are carried out.

The major findings of the research are the direct effect of SCM practices on both competitive priorities and marketing performances and direct impact of competitive priorities on marketing performances. The mediating effect of SCM practices on marketing performances through competitive priorities is also identified. The environmental practices are identified as positive contributors for improving SCM practices.